

PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.

Prairieville, Louisiana

FINANCIAL REPORT

(Reviewed)

December 31, 2012

PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Prairieville, Louisiana

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Prairieville Volunteer Fire Department, Inc.
Prairieville, Louisiana

We have reviewed the accompanying statements of financial position of **PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.** (a non-profit organization) (Department) as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Department management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with principles generally accepted in the United States of America.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
June 21, 2013

PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.

Prairieville, Louisiana

STATEMENTS OF FINANCIAL POSITION

December 31, 2012 and 2011

(See Independent Accountants' Review Report)

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT		
Cash	\$ 359,172	\$ 300,293
Investments - certificates of deposit	80,764	80,581
Due from Ascension Parish Council	<u>31,319</u>	<u>47,024</u>
Total current assets	471,255	427,898
PROPERTY - net of accumulated depreciation	<u>72,910</u>	<u>52,403</u>
Total assets	<u><u>\$ 544,165</u></u>	<u><u>\$ 480,301</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 12,306	\$ -
Payroll liabilities	<u>3,904</u>	<u>1,743</u>
Total liabilities	16,210	1,743
NET ASSETS - unrestricted	<u>527,955</u>	<u>478,558</u>
Total liabilities and net assets	<u><u>\$ 544,165</u></u>	<u><u>\$ 480,301</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.

Prairieville, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2012 and 2011

(See Independent Accountants' Review Report)

	2012	2011
REVENUES AND SUPPORT		
Support from Ascension Parish Council	\$ 371,891	\$ 391,168
Insurance rebate	105,546	106,602
Other public support	16,160	1,560
Interest	183	596
	<hr/>	<hr/>
Total revenues and support	493,780	499,926
	<hr/>	<hr/>
EXPENSES		
Salaries and related benefits	383,481	388,813
Depreciation	17,968	13,960
Supplies	13,493	7,835
Maintenance	10,247	17,013
Professional	4,733	5,804
Training	4,240	3,047
Banquet	97	9,092
Other	10,124	5,004
	<hr/>	<hr/>
Total expenses	444,383	450,568
	<hr/>	<hr/>
Increase in net assets	49,397	49,358
	<hr/>	<hr/>
NET ASSETS		
Beginning of year	478,558	429,200
	<hr/>	<hr/>
End of year	\$ 527,955	\$ 478,558
	<hr/>	<hr/>

The accompanying notes to the financial statements
are an integral part of this statement.

PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.

Prairieville, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 49,397	\$ 49,358
Adjustments for non-cash items:		
Depreciation	17,968	13,960
Changes in operating assets and liabilities:		
Decrease (increase) receivables, prepaid expenses, and other assets	15,705	(30,411)
Increase (decrease) accounts payable and other liabilities	<u>14,467</u>	<u>(574)</u>
Net cash provided by operating activities	<u>97,537</u>	<u>32,333</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(38,475)	(13,133)
(Purchase) sale of certificates of deposit	<u>(183)</u>	<u>9,728</u>
Net cash used by investing activities	<u>(38,658)</u>	<u>(3,405)</u>
Net increase in cash	58,879	28,928
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>300,293</u>	<u>271,365</u>
End of year	<u>\$ 359,172</u>	<u>\$ 300,293</u>

The accompanying notes to the financial statements
are an integral part of this statement.

PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.

Prairieville, Louisiana

NOTES TO FINANCIAL STATEMENTS

(See Independent Accountants' Review Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

Prairieville Volunteer Fire Department, Inc. (Department) is a non-profit corporation within the meaning of Section 501(c)(4) of the Internal Revenue Code. The purpose of the Department is to provide fire protection, emergency medical service, and hazardous materials handling to the citizens of Fire Protection District #3 in Ascension Parish.

Basis of accounting

The Department's accounts are maintained on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements.

The Department reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Department does not have any temporarily or permanently restricted net assets at December 31, 2012.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and related disclosures of the financial statements. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation.

Income Taxes

The Department is a not-for-profit organization that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Department follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in Income Taxes*. Management of the Department believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits. The Department's open audit periods are 2009 through 2012.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Department is primarily funded by an allocation of dedicated sales tax proceeds. Supplementary funding is provided by insurance rebates and donations solicited from the general public, local businesses, and civic organizations, which are recognized as received.

Cash and cash equivalents

For purposes of the statement of cash flows, the Department considers cash in bank accounts as cash. Cash equivalents include investments with original maturities of three months or less. The Department has no cash equivalents at December 31, 2012 and 2011.

Investment valuation and income recognition

FASB ASC 820 , *Fair Value Measurements*, establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the sources of pricing information (inputs) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Department has the ability to access. The Department does not have any level 1 inputs at December 31, 2012 and 2011.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement. The Department does not have any Level 3 inputs at December 31, 2012 and 2011.

Certificates of deposit are recorded at cost, which approximates fair market value using level 2 inputs.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due from Ascension Parish Council (APC)

Amounts due from APC are stated at the amount management expects to collect and consists of amounts reimbursable for payroll expenses.

Fair value of financial instruments

The carrying value of cash, due from APC and liabilities approximates fair value due to the short-term maturity of these instruments. Financial instruments are not held for trading purposes.

Equipment and depreciation

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

NOTE 2 - PROPERTY

A summary of property, related service lives, and accumulated depreciation at December 31, 2012, is as follows:

Description	Service Lives	Amount
Fire equipment	5 years	\$ 57,676
Furniture and fixtures	5 years	28,896
Leasehold improvements	15 years	10,197
Other equipment	5 - 7 years	22,554
Total		119,323
Less accumulated depreciation		(46,413)
Net		<u>\$ 72,910</u>

Depreciation expense was \$17,968 and \$13,960 for 2012 and 2011, respectively.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Department typically maintains cash and cash equivalents in local banks that may, at times, exceed the FDIC limits. Management believes that this risk is limited.

NOTE 4 - RELATED PARTY TRANSACTIONS

Since the Department provides a service that would otherwise be provided by APC, APC provides support to the Department. Additionally, APC assumes certain costs and provides the facilities and equipment used by the Department.

NOTE 5 - ECONOMIC DEPENDENCY

The Department derives a significant portion of its revenues from the Parish of Ascension, the loss of which would have a material adverse affect. The Department also relies on the Parish of Ascension for the use of all of its facilities to operate. During 2012, revenue derived from the Parish accounted for approximately 97% of total revenue.

NOTE 6 - CONTINGENCIES

A lawsuit arising in the ordinary course of operations was pending against the Department as of December 31, 2012. The Department believes there is limited risk to exposure and that the ultimate resolution will not have a significant effect on the Department's financial position or results of operations. In addition, the claim is covered by insurance.

NOTE 7 - SUBSEQUENT EVENTS

In preparing the financial statements, the Department has evaluated events and transactions for potential recognition or disclosure through the date of the independent accountants' review report, which is the date the financial statements were available to be issued.

PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.
Prairieville, Louisiana

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

December 31, 2012



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Board of Directors
Prairieville Volunteer Fire Department, Inc.
Prairieville, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the **PRAIRIEVILLE VOLUNTEER FIRE DEPARTMENT, INC.** (Department) and the Legislative Auditor, State of Louisiana, solely to assist you in evaluating management's assertions about the Department's compliance with the certain laws and regulations for the year ended December 31, 2012, included in the accompanying Louisiana Attestation Questionnaire. Management of the Department is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was conducted in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants, and applicable provisions of *Government Auditing Standards*, published by the United States Comptroller General. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

With respect to your representations relating to the federal, state, and local awards compliance, as of December 31, 2012, and for the year then ended, we applied the following agreed-upon procedures:

Federal, State, and Local Awards

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

The Department's expenditures for all public funds for 2012 were:

<u>Grant description</u>	<u>Amount expended</u>
Sales & Use dedicated tax – Parish of Ascension	\$ 371,891
Insurance rebate – Parish of Ascension	105,546
Total expenditures	<u>\$ 477,437</u>

The Department did not receive any federal or state awards during 2012.

2. For each federal, state, and local award, randomly select six disbursements from the awards during the period under examination, provided that no more than 30 disbursements would be selected.

We selected six disbursements for review.

3. For the items selected in Procedure 2, trace the six disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in Procedure 2, determine if the six disbursements are properly coded to the correct fund and general ledger account.

Based on our review of disbursements, all six payments were properly coded to the correct fund and general ledger account.

5. For the items selected in Procedure 2, determine whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selections indicated that all disbursements received approval from the proper authority.

6. For the items selected in Procedure 2, For federal awards, determine whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, determine whether the disbursements comply with the grant agreement.

Based on our review of disbursements, the local awards complied with the local agreements, in terms of activities allowed or unallowed, eligibility, and reporting. There were no federal or state awards.

7. For programs selected for testing in Procedure 2 that had been closed out during the period under review, compare the close-out report, when required, with the Department's financial records to determine whether the amounts agree.

No programs were closed in 2012.

Open Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meetings as required by R.S. 41:11 through 42:28 (the open meetings law).

The open meetings law is not applicable to the Department.

Budget

9. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agencies were provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

There were no grants received in 2012.

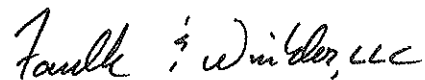
Prior Comments and Recommendations

10. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no reported prior year comments and recommendations

We were not engaged to perform and did not perform, an audit, the objective of which would be an expression of opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and management of the Prairieville Volunteer Fire Department, Inc., and The Legislative Auditor (State of Louisiana) and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Certified Public Accountants

Baton Rouge, Louisiana
June 21, 2013

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

June 21, 2013

Faulk & Winkler, LLC
6811 Jefferson Hwy.
Baton Rouge, LA 70806

In connection with your review of our financial statements as of December 31, 2012 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 21, 2012.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

N/A

Yes [] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

N/A

Yes [] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

N/A

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Rudolph Duffek President 24 June 2013 Date